

SOURCE REF:

CIA/OC/WH/2 741021

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TO: IMMEDIATE WHITE HOUSE//SITUATION ROOM FOR MR FAZIO,  
 STATE RCI//INFORMATION OPS CTR FOR MR FRY, NMCC//ATTENTION CIA  
 REP, TREASURY DEPT//INFO [REDACTED] 25X1A9a

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ITEM NO: 1

DATE: 21 OCT 74

SUBJECT: ARGENTINA: RESIGNATION OF ECONOMY MINISTER

REF : REUTERS BUENOS AIRES, 21 OCT 74, UNCLAS; REUTERS DOW

JONES, BUENOS AIRES, 21 OCT 74, UNCLAS

ACCORDING TO PRESS REPORTS FROM BUENOS AIRES, PRESIDENT PERON  
 HAS ACCEPTED THE RESIGNATIONS OF ECONOMY MINISTER JOSE GELBARD  
 AND HIS ADVISERS AND HAS APPOINTED FORMER CENTRAL BANK HEAD GOMEZ  
 MORALES TO SUCCEED GELBARD. THE ANNOUNCEMENT OF GELBARD'S RESIGNA-  
 TION WAS MADE BY HIS PRESS SECRETARY EARLIER TODAY, WHO ALSO SAID  
 THAT THE ACTION WOULD BE ACCOMPANIED BY AN IMPORTANT POLITICAL  
 DOCUMENT.

GELBARD PREVIOUSLY HAD SUBMITTED HIS RESIGNATION TO PRESIDENT  
 PERON DURING A RECENT DISPUTE OVER STABILIZATION MEASURES WITH  
 GOMEZ MOREALES, BUT THIS IS THE FIRST TIME THAT HE HAD MADE A PUBLIC

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STATEMENT REGARDING HIS INTENTIONS. THE RESIGNATION MAY HAVE BEEN REQUESTED BY MRS. PERON BECAUSE OF GROWING PRESSURE TO CHANGE GELBARD'S MONETARY AND FISCAL POLICIES. LAST WEEK THE BLACK MARKET CURRENCY RATE WAS REPORTED AT OVER TWENTY PESOS TO THE US DOLLAR--MORE THAN DOUBLE THE OFFICIAL RATE. THE GOVERNMENT MAY BE PLANNING A DEVALUATION IN THE NEAR FUTURE. MORALES WILL ATTEMPT TO HALT THE GOVERNMENT'S DETERIORATING FISCAL POSITION AND CURTAIL MONETARY EXPANSION. E2 IMPDET.H

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